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December 12, 2003

William Dever, Assistant Division Chief
Competition Policy Division
Wireline Competition Bureau
Federal Communications Commission
445 12th Street S.W., Room 5-C266
Washington, D.C. 20554


Re: Application for Authorization of Transfer of Control
relating to Section 214 Authorization for Resale of
Domestic Telecommunications Services

Dear Mr. Dever:

Transmitted herewith is an application requesting Section 214 authorization relating to a proposed sale by Nehalem Telephone & Telegraph Company of its assets to Nehalem Telecommunications, Inc., including long distance resale operations that involve resale of telecommunications services to domestic points.

Should any questions arise, please communicate with this office.

Very truly yours,


David L. Nace

READ INSTRUCTIONS CAREFULLY
BEFORE PROCEEDING

FEDERAL COMMUNICATIONS COMMISSION
REMITTANCE ADVICE

Approved by OMB
3060-0589
Page 1 of 1

(1) LOCK BOX # 358145			
SECTION A - PAYER INFORMATION			
(2) PAYER NAME (if paying by credit card enter name exactly as it appears on the card) LUKAS, NACE, GUTIERREZ & SACHS		(3) TOTAL AMOUNT PAID (U.S. Dollars and cents) \$ 860.00	
(4) STREET ADDRESS LINE NO 1 1111 19th Street, N.W.			
(5) STREET ADDRESS LINE NO 2 Suite 1200			
(6) CITY Washington		(7) STATE DC	(8) ZIP CODE 20036
(9) DAYTIME TELEPHONE NUMBER (include area code) (202) 857-3500		(10) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(11) PAYER (FRN) 0003746385			
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 15) COMPLETE SECTION BELOW FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(13) APPLICANT NAME NEHALEM TELEPHONE & TELEGRAPH COMPANY			
(14) STREET ADDRESS LINE NO 1 P.O. Box 100			
(15) STREET ADDRESS LINE NO 2			
(16) CITY Nehalem		(17) STATE OR	(18) ZIP CODE 97131
(19) DAYTIME TELEPHONE NUMBER (include area code) (503) 812-1344		(20) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(21) APPLICANT (FRN) 0001566181			
COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(23A) CALL SIGN/OTHER ID T of C Authorization	(24A) PAYMENT TYPE CODE CUT	(25A) QUANTITY 1	
(26A) FEE DUE FOR (PTC) \$860.00	(27A) TOTAL FEE \$860.00		
(28A) FCC CODE 1		(29A) FCC CODE 2	
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY	
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE		
(28B) FCC CODE 1		(29B) FCC CODE 2	
SECTION D - CERTIFICATION			
CERTIFICATION STATEMENT I, Daniel O. Ladmirault , certify under penalty of perjury that the foregoing and supporting information is true and correct to the best of my knowledge, information and belief.			
SIGNATURE <i>Daniel O. Ladmirault</i>		DATE 12/12/03	
SECTION E - CREDIT CARD PAYMENT INFORMATION			
MASTER CARD <input type="checkbox"/> VISA <input type="checkbox"/> AMEX <input type="checkbox"/> DISCOVER <input type="checkbox"/>			
ACCOUNT NUMBER		EXPIRATION DATE	
I hereby authorize the FCC to charge my credit card for the service(s)/authorization herein described.			
SIGNATURE		DATE	

SEE PUBLIC BURDEN ON REVERSE

FCC FORM 159

FEBRUARY 2003 (REVISED)

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
NEHALEM TELEPHONE & TELEGRAPH COMPANY)	
)	
Section 214 Authorization Holder and Transferor/Assignor,)	
)	
and)	File No(s). _____
)	
NEHALEM TELECOMMUNICATIONS, INC.)	
)	
Transferee/Assignee)	
)	
Applications for Approval for Transfer/Assignment of Section 214 Authorizations for Resale of Domestic and International Telecommunications Services)	

**JOINT APPLICATION FOR APPROVAL FOR TRANSFER AND ASSIGNMENT OF
SECTION 214 AUTHORIZATIONS FOR RESALE OF DOMESTIC AND
INTERNATIONAL TELECOMMUNICATIONS SERVICES**

Pursuant to the rules of the Federal Communications Commission ("Commission"), 47 C.F.R. Part 63, Nehalem Telephone & Telegraph Company ("NT&T") and Nehalem Telecommunications, Inc. ("NTI" or "Assignee") hereby submit an application for approval of a transfer and assignment of authorizations granted to NT&T under Section 214 of the Communications Act to provide resold telecommunications services to domestic and international points on a nondominant basis. It is requested that this application be processed on a streamlined basis

NT&T is a rural local exchange carrier serving approximately 3,200 access lines in a 196 square mile area along the north central Oregon coast. In addition to providing local exchange service NT&T resells intrastate, interstate and international long distance toll services to households

service NT&T resells intrastate, interstate and international long distance toll services to households and businesses located within its local exchange. NT&T relies on "blanket" Section 214 authorization granted by the Commission for domestic resale operations,¹ and NT&T was granted Section 214 authorization in File No ITC-214-20011116-00607 for international resale service.²

The owners of NT&T have entered into an agreement by which NT&T will sell its telecommunications operations, including all local exchange carrier operations and long distance resale operations, to NTI, a corporation organized under the laws of Oregon. NTI is a newly formed subsidiary of Rural Telephone Company ("RTC") which as its name implies is a rural local exchange carrier. RTC, either directly or through subsidiaries, provides local exchange telecommunications service to approximately 4,000 customers in certain rural areas of Idaho, Nevada and Washington. RTC is wholly owned by Martell Enterprises, Inc., an Idaho corporation that is a closely held, family owned corporation. The only stockholders of Martell Enterprises, Inc. who hold at least a 10% ownership interest are James R. Martell (31.2% owner) and his wife Carmela M. Martell (31.2% owner), both of whom are United States citizens.

After the sale of assets is completed, NTI plans to operate the telecommunications businesses using the "doing business as" name of Nehalem Telephone & Telegraph. There will be no interruption of services to the public as the result of the proposed asset sale. NTI will maintain separate accounts as to the regulated local exchange service it provides.

1 As described on the website of the Wireline Competition Bureau, in 1999, as to domestic resale services, the Commission eliminated all entry certification filing requirements under Section 214 of the Communications Act, "Implementation of Section 402(b)(2)(A) of the Telecommunications Act of 1996" CC Docket No. 97-11, FCC 99-104, released June 30, 1999

2 See, Public Notice Report No. TEL-00480, DA No. 01-3012, issued December 27, 2001

In accordance with Section 63.04(b) of the Commission's rules, the applicants are providing information responsive to the pertinent rules in Part 63 that concern the transfer and assignment of domestic Section 214 authorization and of international Section 214 authorization. A combined FCC filing fee of \$1,720 is being submitted for processing as to both portions of this application.

I. Application for Transfer of Control of Domestic Section 214 Authorization:

With reference to domestic Section 214 authority, the following information is submitted as required by Section 63.04(a) of the rules.

(1) The name, address and telephone number of each applicant:

Nehalem Telephone & Telegraph Company
35790 7th Street/PO Box 100
Nehalem, OR 97131
(503) 812-1344

Nehalem Telecommunications, Inc.
892 W. Madison Avenue
Glenns Ferry, ID 83623
(208) 366-2614

(2) The government, state, or territory under the laws of which each corporate or partnership applicant is organized:

Nehalem Telephone & Telegraph Company is an Oregon corporation, and
Nehalem Telecommunications, Inc. is an Oregon corporation

(3) The name, title, post office address, and telephone number of the officer or contact point, such as legal counsel, to whom correspondence concerning the application is to be addressed

For Nehalem Telephone & Telegraph Company:

Steve Harper, Assistant Manager
35790 7th Street/PO Box 100
Nehalem, OR 97131
(503) 812-1344

For Nehalem Telecommunications, Inc.:

Mark Martell, Assistant Manager
892 W Madison Avenue
Glenns Ferry, ID 83623
(208) 366-2614

with a copy to:

David L Nace, Esq.
Lukas, Nace, Gutierrez, & Sachs, Chartered
1111 19th Street, N W , Suite 1200
Washington, D C 20036
(202) 828-9469

- (4) *The name, address, citizenship and principal business of any person or entity that directly or indirectly owns at least ten (10) percent of the equity of the applicant, and the percentage of equity owned by each of those entities (to the nearest one (1) percent):*

Nehalem Telecommunications, Inc., an Oregon corporation, is 100% owned by Rural Telephone Company, an Idaho corporation. Rural Telephone Company is 100% owned by Martell Enterprises, Inc., an Idaho corporation. The only direct or indirect owners of Martell Enterprises, Inc. who own at least ten percent of the equity of that company are the following:

<u>Name</u>	<u>Citizenship</u>	<u>Ownership %</u>
James R Martell	U S.	31.2%
Carmela M Martell	U.S.	31.2%

James R and Carmella Martell are husband and wife. Their principal business address is:

892 W. Madison Avenue
Glenns Ferry, ID 83623

- (5) *Certification pursuant to §§1 2001 through 1.2003 of this chapter that no party to the application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988 See 21 USC §853.*

NTI certifies that, to the best of its knowledge, information and belief, neither NTI nor any party to this application is subject to a denial of Federal benefits under Section 5301 of the Anti-Drug Abuse Act of 1988

(6) A description of the transaction

The proposed transaction involves the sale of NT&T's assets to NTI, including all assets related to NT&T's provision of local exchange service to approximately 3,200 access lines and NT&T's long distance resale operations which allow customers to place calls to domestic and international points. No interruption in services to the public will result from the transaction.

(7) A description of the geographic areas in which the transferor and transferee (and their affiliates) offer domestic telecommunications services, and what services are provided in each area.

Transferor, NT&T, is a rural local exchange carrier serving approximately 3,200 access lines in the state of Oregon. NT&T operates in one exchange (Nehalem exchange) and its service area is located along the north central Oregon coast and encompasses approximately 196 square miles. NT&T provides local exchange service including custom calling features, DSL services, Internet access, and resold intrastate, interstate, and international long distance toll services to households and businesses located within its local exchange

Transferee, Nehalem Telecommunications, is a newly formed subsidiary of Rural Telephone Company. Rural Telephone, either directly or through subsidiaries, provides local exchange telecommunications service to approximately 4,000 customers (access lines) in certain rural areas of Idaho, Nevada, and Washington

(8) A statement as to how the application fits into one or more of the presumptive streamlined categories in this section or why it is otherwise appropriate for streamlined treatment

Applicants assert that the proposed transaction is eligible for presumptive streamlined treatment under section 63.03(b)(2)(iii) of the Commission's rules because Applicants are incumbent, independent local exchange carriers (LECs) that have, in combination, fewer than two (2) percent of the nation's subscriber lines installed in the aggregate, nationwide, and no overlapping service areas

(9) Identification of all other Commission applications related to the same transaction,

Applicants as part of this joint applications request authorization for assignment of Section 214 authorization held by NT&T to NTI. In addition, Applicants in a separate application request FCC consent to assignment of a

maintenance radio license for station KNCN330, File No 0000741247, that is held by NT&T and used by the company for communications with company personnel.

- (10) *A statement of whether the applicants are requesting special consideration because either party to the transaction is facing imminent business failure.*

Not applicable

- (11) *Identification of any separately filed waiver requests being sought in conjunction with the transaction.*

None

- (12) *A statement showing how grant of the application will serve the public interest, convenience and necessity, including any additional information that may be necessary to show the effect of the proposed transaction on competition in domestic markets*

NTI's, parent company, Rural Telephone Company, and its principals are experienced in providing local exchange telecommunications service in rural areas. Upon completion of the proposed transaction NTI will provide continuous and high quality local exchange and resold domestic intrastate and interstate telecommunications service as are currently offered in the territory (i.e., in the Nehalem, Oregon exchange). Applicants contend that the proposed transaction involves two very small LECs and has no potential to harm the public interest, or to impair competition in any local exchange or long distance toll markets. NTI plans no change in the regulated local exchange and exchange access services, rates and practices of NT&T as a result of the proposed transaction. Service will continue to be managed on a day-to-day basis by local employees. Separate accounts will be maintained for regulated local exchange service.

II. Application for Assignment of International Section 214 Authorization:

With reference to international Section 214 authority, the following information is submitted as required by Sections 63.24(b) and (e), and by Sections 63.18 (a) through (d), and (h) through (p), of the Commission's rules:

- (a) *The name, address, and telephone number of each applicant.*

Nehalem Telephone & Telegraph Company
35790 7th Street/PO Box 100
Nehalem, OR 97131
(503) 812-1344

Nehalem Telecommunications, Inc.
892 W. Madison Avenue
Glenns Ferry, ID 83623
(208) 366-2614

(b) The Government, State, or Territory under the laws of which each corporate or partnership applicant is organized

Nehalem Telephone & Telegraph Company is an Oregon corporation; and
Nehalem Telecommunications, Inc. is an Oregon corporation

(c) The name, title, post office address, and telephone number of the officer and any other contact point, such as legal counsel, to whom correspondence concerning the application is to be addressed

For Nehalem Telephone & Telegraph Company.

Steve Harper, Assistant Manager
35790 7th Street/PO Box 100
Nehalem, OR 97131
(503) 812-1344

For Nehalem Telecommunications, Inc.:

Mark Martell, Assistant Manager
892 W. Madison Avenue
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(208) 366-2614

with a copy to

David L. Nace, Esq
Lukas, Nace, Gutierrez, & Sachs, Chartered
1111 19th Street, N.W., Suite 1200
Washington, D.C 20036
(202) 828-9469

- (d) *A statement as to whether the applicant has previously received authority under Section 214 of the Act and, if so, a general description of the categories of facilities and services authorized (i.e., authorized to provide international switched services on a facilities basis)*

NT&T was granted Section 214 authorization in File No. ITC-214-20011116-00607 for international resale service³ NTI has not previously received authority under Section 214 of the Act.

- (h) *The name, address, citizenship and principal businesses of any person or entity that directly or indirectly owns at least ten percent of the equity of the applicant, and the percentage of equity owned by each of those entities (to the nearest one percent) The applicant shall also identify any interlocking directorates with a foreign carrier*

Nehalem Telecommunications, Inc., an Oregon corporation, is 100% owned by Rural Telephone Company, an Idaho corporation. Rural Telephone Company is 100% owned by Martell Enterprises, Inc., an Idaho corporation. The only direct or indirect owners of Martell Enterprises, Inc. who own at least ten percent of the equity of that company are the following:

<u>Name</u>	<u>Citizenship</u>	<u>Ownership %</u>
James R. Martell	U.S.	31.2%
Carmela M. Martell	U.S.	31.2%

James R. and Carmella Martell are husband and wife. Their principal business address is

892 W. Madison Avenue
Glenns Ferry, ID 83623

- (i) *A certification as to whether or not the applicant is, or is affiliated with, a foreign carrier. The certification shall state with specificity each foreign country in which the applicant is, or is affiliated with, a foreign carrier.*

NTI hereby certifies that it has no affiliation, either directly or indirectly, with any foreign carrier or U.S. carrier whose facilities-based services that NTI proposes to resell

- (j) *A certification as to whether or not the applicant seeks to provide international telecommunications services to any destination country for which any of the following is true. The certification shall state with specificity the foreign carriers and destination countries.*

NTI hereby certifies that it does not seek to provide international telecommunications services to any destination country for which any of the following is true:

- (1) *The applicant is a foreign carrier in that country; or*

Not applicable

- (2) *The applicant controls a foreign carrier in that country, or*

Not applicable

- (3) *Any entity that owns more than 25 percent of the applicant, or that controls the applicant, controls a foreign carrier in that country.*

Not applicable

- (4) *Two or more foreign carriers (or parties that control foreign carriers) own, in the aggregate, more than 25 percent of the applicant and are parties to, or the beneficiaries of, a contractual relation (e.g., a joint venture or market alliance) affecting the provision or marketing of international basic telecommunications services in the United States.*

Not applicable

- (k) *For any destination country listed by the applicant in response to paragraph (j) of this section, the applicant shall make one of the following showings:*

Not applicable.

- (1) *The named foreign country (i.e., the destination foreign country) is a Member of the World Trade Organization, or*

Not applicable.

- (2) *The applicant's affiliated foreign carrier lacks market power in the named foreign country, or*

Not applicable

- (3) *The named foreign country provides effective competitive opportunities to U.S. carriers to compete in that country's market for the service that the applicant seeks to provide (facilities-based, resold switched, or resold non-interconnected private line services). An effective competitive opportunities demonstration should address the following factors*

(i) If the applicant seeks to provide facilities-based international services, the legal ability of U.S. carriers to enter the foreign market and provide facilities-based international services, in particular international message telephone service (IMTS),

(ii) If the applicant seeks to provide resold services, the legal ability of U.S. carriers to enter the foreign market and provide resold international switched services (for switched resale applications) or non-interconnected private line services (for non-interconnected private line resale applications),

(iii) Whether there exist reasonable and nondiscriminatory charges, terms and conditions for interconnection to a foreign carrier's domestic facilities for termination and origination of international services or the provision of the relevant resale service;

(iv) Whether competitive safeguards exist in the foreign country to protect against anticompetitive practices, including safeguards such as

(A) Existence of cost-allocation rules in the foreign country to prevent cross-subsidization,

(B) Timely and nondiscriminatory disclosure of technical information needed to use, or interconnect with, carriers' facilities; and

(C) Protection of carrier and customer proprietary information,

(v) Whether there is an effective regulatory framework in the foreign country to develop, implement and enforce legal requirements, interconnection arrangements and other safeguards; and

(vi) Any other factors the applicant deems relevant to its demonstration

Not Applicable as to all subsections.

- (l) *Any applicant that proposes to resell the international switched services of an unaffiliated U.S. carrier for the purpose of providing international telecommunications services to a country where it is a foreign carrier or is affiliated with a foreign carrier shall either provide a showing that would satisfy §63 10(a)(3) of this part or state that it will file the quarterly traffic reports required by §43 61(c) of this chapter.*

Not Applicable

- (m) *With respect to regulatory classification under §63 10 of this part, any applicant that is or is affiliated with a foreign carrier in a country listed in response to paragraph (i) of this section and that desires to be regulated as non-dominant for the provision of particular international telecommunications services to that country should provide information in its application to demonstrate that it qualifies for non-dominant classification pursuant to §63.10 of this part*

Not Applicable.

- (n) *A certification that the applicant has not agreed to accept special concessions directly or indirectly from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses market power on the foreign end of the route and will not enter into such agreements in the future*

NTI certifies that it has not agreed and will not agree to accept special concessions directly or indirectly from any foreign carrier or administration with respect to traffic or revenue flows between the U.S. and any foreign country which NTI may serve under the authority granted hereunder.

- (o) *A certification pursuant to §§1 2001 through 1.2003 of this chapter that no party to the application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988 See 21 USC §853a*

NTI certifies that, to the best of its knowledge, information and belief, neither NTI nor any party to this application is subject to a denial of Federal benefits under Section 5301 of the Anti-Drug Abuse Act of 1988

- (p) *If the applicant desires streamlined processing pursuant to §63 12, a statement of how the application qualifies for streamlined processing*

NTI qualifies for streamlined processing procedures in accordance to §63.12 and its requirements

[Signature Page follows]

Conclusion

In view of the foregoing, Nehalem Telephone & Telegraph Company and Nehalem Telecommunications, Inc. request that this joint application be processed on a streamlined basis. Favorable action is consistent with public interest considerations.

Respectfully submitted,

**NEHALEM TELEPHONE & TELEGRAPH
COMPANY**

By: _____

Name: Wm. Lee Dillard

Title: President

NEHALEM TELECOMMUNICATIONS, INC.

By: James R. Martell

Name: James R. Martell

Title: President

Attorney for Nehalem Telecommunications, Inc.

David L. Nace, Esq.
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Date: December 12, 2003

Conclusion

In view of the foregoing, Nehalem Telephone & Telegraph Company and Nehalem Telecommunications, Inc. request that this joint application be processed on a streamlined basis. Favorable action is consistent with public interest considerations.

Respectfully submitted,

**NEHALEM TELEPHONE & TELEGRAPH
COMPANY**

By Wm Lee Dillard

Name: Wm. Lee Dillard

Title. President

NEHALEM TELECOMMUNICATIONS, INC.

By James R. Martell

Name: James R. Martell

Title. President

Attorney for Nehalem Telecommunications, Inc.:

David L. Nace, Esq
Lukas, Nace, Gutierrez & Sachs, Chartered
1111 19th Street, N W.
Suite 1200
Washington, D.C 20036
(202) 828-9469
Email. dnace@fcclaw.com

Date: December 12, 2003

CERTIFICATE OF SERVICE

I, Daniel O Ladmirault, a legal assistant in the law offices of Lukas, Nace, Gutierrez & Sachs, Chartered, do hereby certify that I have on this 12th day of December, 2003, sent by first class United States mail, copies of the foregoing Joint Application for Approval for Transfer and Assignment of Section 214 Authorizations for Resale of Domestic and International Telecommunications Services to the following

Governor Ted Kulongoski
State of Oregon
160 State Capitol
900 Court Street
Salem, OR 97301-4047

Secretary of Defense
Attention: Special Assistant for
Telecommunications
Pentagon
Washington, D C 20301

Secretary Colin Powell
Department of State
2201 C Street, N.W, 7th Floor
Washington, D.C. 20520

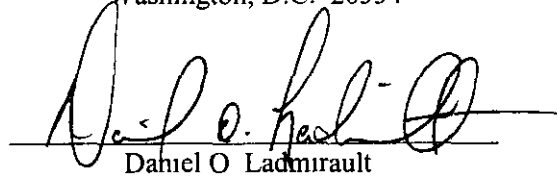
Cynthia Bryant, Attorney Advisor
Policy Division
International Bureau
Federal Communications Commission
445 12th Street S.W., Room 7-A623
Washington, D.C. 20554

William Dever, Assistant Division Chief
Wireline Competition Bureau
Competition Policy Division
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Julie Veach, Assistant Division Chief
Wireline Competition Bureau
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Christi Shewman, Attorney Advisor
Wireline Competition Bureau
Competition Policy Division
Federal Communications Commission
445 12th Street S.W., Room 5-C207
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Daniel O. Ladmirault